



DHRM TOTAL COMPENSATION BULLETIN

Compensation and Benefits Information for State Employees FY 2024

Effective Date: June 24, 2023 (unless otherwise specified)

Links to Bills: To read full legislation please click the colored text

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1. Salary Updates

HB 8 State Agency and Higher Education Compensation Appropriations

The legislature provided funding equivalent to a 5% labor market increase for state employees and other compensation adjustments as authorized.

Labor Market Increase

- The 5% labor market increase will be administered as an across-the-board increase to employees who are in an approved schedule code.
- Eligible employees who are at the maximum of the salary range or above the maximum of the range will also receive the 5%.
- Salary ranges will increase by 5% for eligible jobs.
- See [appendix A](#) for Labor Market Increase Eligibility details.

Other Compensation Adjustments

- Other compensation adjustments will be administered as targeted and/or discretionary funding for agencies.
- See [appendix B](#) for targeted and/or discretionary compensation increase details.



Pay for Performance

- The legislature appropriated an additional 2.5% increase for pay for performance. Guidance on pay for performance increases based on HB104 (2022) will be issued to agencies in Fall of 2023.

2. Retirement Updates

HB 377CR1 Prison Healthcare Services Retirement (5/3/23)

- Provides the circumstances under which an employee who was employed by the Department of Corrections and now is an employee of the Department of Health and Human Services, shall continue to earn public safety service credit in the public safety retirement systems.

SJR 5 Budgeting Changes to State Retirement Contributions (5/3/23)

- This resolution directs the Executive Appropriations Committee to set aside any savings from each reduction in the amortization rate and, when the total set aside money reaches specified threshold, include the amount in the base budget as an increase to benefitted state employee salaries.

SB 89 Utah Retirement Amendments (7/1/23)

- Requires an employer to automatically enroll a newly hired benefit-eligible state employee, or a newly benefit eligible existing employee, to make a biweekly contribution to a Utah Retirement Systems 401(k) retirement savings account in an amount equal to the amount that is eligible for an employer match. Allows an employee to modify the automatic enrollment by opting out, changing the amount of contributions, or changing the URS savings account into which the contribution is made.

3. Medical, Dental, and Vision Insurance Updates

See [Appendix C](#) for medical, dental and vision rates (updated as of 3/13/23)

Notice: If you have other medical and/or dental coverage, you may elect to receive **CASH** in lieu of coverage. Log into your PEHP account to select this option.

Health Savings Account (HSA) Employer Contribution



See [Appendix C](#) for Bi-Annual State HSA Contribution amounts (updated as of 3/13/23)

- Employees may choose to receive an HSA contribution or **CASH** as follows:
 - Up to one half of the state's HSA contribution on the STAR Plan
 - Up to 100% of the state's HSA contribution on the Consumer Plus plan
 - The first half of the HSA contribution will be distributed by the end of July 2023 and the second half by the end of January 2024
- Maximum contribution limits for 2023: \$3,850 (single), \$7,750 (double/family)

Health Reimbursement Arrangement (HRA)

- STAR or Consumer Plus plan members who are ineligible for an HSA may choose an HRA, which will be distributed in the same manner as the HSA
 - An HRA is NOT eligible for the cash conversion

Medical Flexible Spending Account (FSA)

- Maximum contribution for 2023 is \$3,050
 - Maximum rollover amount \$610

Dependent Care Flexible Spending Account (FSA)

- \$5,000 a year for individuals and married couples filing jointly, \$2,500 for a married person filing separately.

HB 8 State Agency and Higher Education Compensation Appropriations (7/1/23)

- Funds the state's portion of the 7.2% medical insurance premium increase
- Funds a 0.9% increase in dental insurance premiums
- Provides funding for an up-to \$26 per pay period match for qualifying state employees

HB 59 First Responder Mental Health Amendment (3/1/23)

- Requires the addition of spouses of retired first responders to the list of those who qualify for mental health services and also provides that mental health services shall be provided on a regular and continuing basis.

HB 105 Public Employee Disability Amendments (7/1/23)

- Establishes a three-year pilot period during which an eligible employee with a mental objective medical impairment qualifies for the same disability benefit as



the eligible employee would receive for a physical objective medical impairment;

- Creates review and compliance requirements for an individual receiving a disability benefit.
- Increases LTD premiums for the duration of the pilot program.

SB 22S02 State Employee Benefit Amendments (7/1/23)

- Creation of the State Employee Benefits Advisory Commission
- Details the commission's membership, quorum requirements, duties, and other requirements
- Establishes reporting requirements for the commission and provides a sunset date for the commission

HB 415 Maternal Coverage Amendments (7/1/23)

- Pilot program ending on 7/1/2027
- Provides coverage for pregnancy and childbirth services by the Public Employee Benefit and Insurance Program including
 - Doula services
 - Services by a licensed direct-entry midwife
 - Services as a free standing birthing center

HJR 8 Joint Resolution for Fertility Preservation (7/1/23)

- This resolution directs the Public Employees' Benefit and Insurance Program (PEHP) to provide fertility preservation coverage.

Bills of Interest - Not Passed

HB412	<u>State Employment Revisions</u>
HB 104	<u>Modifications to Public Safety Retirement</u>
HB 125	<u>Postretirement Reemployment Amendments</u>
HB 126	<u>Postretirement Reemployment Modifications</u>

4. Salary Increase Administration Instructions to Agencies

Labor Market Increase

- The DHRM Total Rewards team will automate the Labor Market Increase according to the criteria provided in [appendix A](#). Agency DHRM Field Offices will be expected to provide any exceptions to the DHRM Total Rewards team by **Monday, May 8, 2023 at 10:00 A.M.**



Targeted and/or Discretionary Compensation Increases

- Targeted and discretionary funding is intended to allow agencies the flexibility to address compensation issues (within the intent of appropriations) such as: compression, exceptional performance, recruitment and retention issues. See [appendix B](#) for targeted and/or discretionary compensation increase details.
- Each agency will need to submit a plan for how they will be spending their portion of the targeted or discretionary funding to their agency DHRM Field Office. After the agency's DHRM Field Office review, DHRM administration will review the plans for any red-flags and will then finalize the plans with the Governor's Office of Planning and Budget.
- Agency DHRM Field Offices will need to coordinate with the DHRM Total Rewards team by **Monday, May 8, 2023 at 10:00 A.M.** to determine whether or not the approved increases can be automated as requested or if adjustments need to be made.

Administrative Salary Increases (ASI)

- Agency DHRM Field Offices will need to coordinate with the DHRM Total Rewards team by **Monday, May 8, 2023 at 10:00 A.M.** to determine whether or not the approved ASIs (Executive Director Approval) can be automated or will need to be manually entered.

5. Coding and Sequence of Salary Actions

How will salary actions be coded?

- The Labor Market Increase will be coded as a "**COLA (Cost of Living Adjustment)**" in automatic processing; if any adjustments need to be made after fiscal year-end processing, agency DHRM Field Offices will need to work through the ERIC to properly code the action.
- Targeted and/or Discretionary Compensation Increases (agency-specific legislatively-approved salary increases) should be coded as "**ASI-Legislative Approval.**"
- Salary increases that agencies provide, not specific to legislatively approved funding, must be entered with an ASI action code in HRIS that is appropriate for why the agency is giving the increase, i.e. executive director approval. Funding for these increases comes from an agency's existing budget. Do not use the



“ASI-Legislative Approval” action code, even if you consider them to be the same type of increase. DHRM must be able to produce reports that separate these actions based upon their funding source.

Sequence of Actions Effective on June 24, 2023

Salary actions effective on **June 24, 2023**, will be processed according to the following sequence:

1. Other Agency Salary Increases: (Manual and/or Automated Entry)
 - o Salary increases such as longevity increases, promotional increases and regular ASIs must be manually entered prior to fiscal year end processing. If more than one type of increase is processed for a single employee, the increases will run in chronological order based upon which is entered and approved first.
 - o Increases, other than COLA and specific legislatively approved increases, are funded from existing agency budgets. There is no additional or separate funding.
 - o Longevity salary increases should follow established DHRM rules for eligibility and should be processed by the ERIC.
2. Labor Market Increase - “COLA (Cost of Living Adjustment)”: (Automated Entry)
 - o Employee base salary rates will be increased by 5%.
 - o Salary ranges will be increased by 5% for eligible jobs.
3. Targeted and/or Discretionary Compensation Increases: (Manual and/or Automated Entry)
 - o Employee base salary rates will be increased by the amount provided by the employing agency.

6. Fiscal Year End Dates

On **Thursday, June 22, 2023**: All new hire/rehire actions, and onboarding tour 1 should be completed for new hires/rehires that have start dates on or before **Monday, June 26, 2023**.

Note: New hires starting on or before **Saturday, June 24, 2023** must be in HRIS before **Thursday, June 22, 2023** and approved by **Friday, June 23, 2023** to avoid a delay in the salary increase processing. If employees do not complete tour 1 in onboarding by the above deadline, adjustments they would have otherwise received will need to be made



manually by agency DHRM Field Offices on **Monday, June 26, 2023** once the eligible employee completes tour 1 and the hire action is active.

- All actions entered by the DHRM Field Office staff must be submitted **prior to 12 P.M. on Thursday, June 22, 2023**.
- All HRIS actions effective Saturday, June 24, 2023 and earlier **MUST** be entered and approved by the ERIC in HRIS prior to Friday, June 23, 2023 at 12:00 P.M.

It is critical that all actions (including new hire/rehire actions) effective **Saturday, June 24, 2023** or earlier are entered and approved by **Friday, June 23, 2023** at 12:00 P.M. in order to ensure that the increases are processed correctly. The sequence for these increases will be based upon current information that is in place on **Saturday, June 24, 2023**. Actions (excluding terminations effective June 23, 2023 or earlier) that are in pending status will be deleted. **All terminations with effective dates of June 23, 2023 or prior must be entered by June 22, 2023 in order to block the automated actions from processing.** Field offices need to communicate to the agencies they support to ensure they have terminated all employees who are no longer actively working prior to the deadlines.

- All actions (excluding new hire or rehire actions) entered with effective dates of **Sunday, June 25, 2023** and later will be DELETED. Deleted actions will need to be re-entered on/or after **Monday, June 26, 2023**.
- The first paycheck date for FY 2023 will be on **Friday, July 21, 2023**.
- Any special adjustments related to fiscal year end processing need to be coordinated with the DHRM Total Rewards team before **Monday, May 8, 2023 at 10:00 A.M.** Otherwise it may not be possible to automate and will need to be entered manually into HRIS after fiscal year-end processing.

[Appendix A](#)

[Appendix B](#)

[Appendix C](#)